

1. Describe your innovation. What problem does it address? How exactly is your program or policy innovative? How has your innovation changed previous practice? Name the program or policy that is closest to yours.

**maximum 1 page**

---

Several years ago, community leaders decided to face the implications of an unpleasant fact: the area's historically strong manufacturing base was in a steep decline that seemed likely to continue for the foreseeable future, perhaps indefinitely. Kingsport's public school system, widely recognized as one of the best in the state, was placing many of its graduates in first-tier colleges; however, few of these bright young people were returning. These problems and ideas for addressing them were the focus of an "Economic Summit" in 1999. As a result, the city of Kingsport decided to increase its financial support, channeled through the local chamber of commerce, for encouraging outside businesses to consider the advantages of locating in the area. A common thread for this new road to success was having a marketable workforce to lure outside businesses to the area to allow for diversification of the economic base.

The city agreed to launch "Educate and Grow," embodying the message to individual young people and to the community as a whole. Under this program, Kingsport, joined soon after by Sullivan County Government (SCG), offered scholarships at Northeast State Technical Community College (NESTCC) to any local high school graduate who met the college's entrance requirements. The first scholarships were awarded in the fall of 2001. The SCG approved a resolution soon after appropriating \$200,000 for county-wide support during the 2001–2002 school year. The scholarships pay about 70 percent of full tuition allowing students to complete a two-year associate's degree or earn some credits for transfer to a four-year college. In effect, the two local governments have expanded a conventional K–12 public school program to a K–14 program, with the final two post-secondary years being optional.

The next step was for Kingsport to offer a site for a NESTCC branch campus. A few years earlier, the TN Dept of Transportation indicated funds were available to build a bus terminal assisting Kingsport to develop a public transit system. The purchase price for the old building would be about half the cost of building a new terminal, but renovation costs were substantial, and state funds for construction dried up. The building combined a good location with 16,000 square feet of floor space, three times the amount needed for adequate transit administration and terminal space. So many key local players, acting in concert, helped persuade federal agencies that Regional Center for Applied Technology (RCAT) would be a sound investment. The city, the Appalachian Regional Commission (ARC), the Economic Development Administration, and the U.S. Department of Transportation together contributed over \$1.1 million for renovating the building (with approximately one-third of its space to be used for a bus terminal and the remainder for RCAT). RCAT was projected to have 1,000 students by the fifth year of operation. That goal was met within two years.

In 2007, the city constructed a Regional Center for Health Professions (RCHP) in the downtown area, at a cost of \$4.8M. NESTCC will offer two-year degrees in nursing, medical laboratory technology, cardiovascular technology, surgical technology, dental assistant and emergency medical technician/paramedic. The next step is a \$12M, 54,000 sq. ft Higher Education Center (KHEC) being constructed in the downtown area (to be open in fall 2009). This center will serve as a collaborative facility where all necessary instructional and student support services are located under one roof in downtown. NESTCC, the University of TN, King College, Lincoln Memorial University and Carson-Newman College have joined with Northeast State Technical Community College for KHEC.

---

2. What is the single most important **achievement** of your program or policy initiative to date? **maximum 1 page**

---

The single purpose of a higher education focus through the Kingsport Higher Education Initiative is the diversification of the local economy, moving from a heavily dependent manufacturing industry to jobs created in other areas such as medical and services, allowing for greater economic sustainability. As a result of a 1999 Economic Summit, a proactive education policy was viewed as a critical key in sparking an economic turnaround for the area.

Since 1990, the area lost 12,600 manufacturing jobs. While this placed an extreme strain on the area, compensation has occurred with the addition of 8,200 healthcare jobs, 5,200 leisure/hospitality jobs, 3,900 natural resources/mining/construction jobs, 2,500 professional/business service jobs, 1,200 trade/transportation/utility jobs, 1,000 financial jobs and 600 information jobs in the Metropolitan Statistical Area.

Diversification in employment brings about more stability in the overall economic environment. One indicator of economic health is sales tax revenue. In August 2008, Sullivan County sales tax revenues were up \$263,782 over August 2007; in September, sales tax revenues were up \$243,866 over September 2007; and in October, sales tax revenues were up \$281,717 over October 2007. That means year-to-date, sales tax revenues countywide are up \$949,298. Kingsport's November Sales tax was up 10 percent over November 2007. And clearly, service and retail sector expansion is driving sales tax increases in Kingsport and Sullivan County.

"If you look back to 2006, we've had well more than \$370 million in new investment in the community since that time," City Manager John Campbell said. "The result of those investments in retail, hospitality, housing and tourism are resulting in the overall diversification of our economy, and leading to these positive results."

3. What are the three most important **measures** you use to evaluate your program's success? In qualitative or quantitative terms for each measure, please provide the **outcomes** of the last full year of program operation and, if possible, at least one prior year. **maximum 1 page**

---

Put simply, the City of Kingsport has set a goal of 30 percent of the adult population reaching college attainment within 10 years of the completion of the Higher Ed Center. While no such formal goal was set at the outset, the U.S. Census Bureau has just released "small area estimates" in between ten-year census cycles, data never before available in between censuses. Since the turn of the century, the number of Kingsport residents with an associate degree increased 1.2 percent, while the percentage with bachelor's degrees went up 2.1 percent. We expect this trend line to continue.

The Kingsport Higher Education Initiative has seen other less quantifiable measures that point to success. The most important measures have revolved around the underlying tenants of a healthy and diversifying economy, as well as more recent announcements from major employers that they intend to retain, and in some instances, create new jobs. For instance, the Chief Executive Officer of Eastman Chemical Company has cited the Education Initiative as a primary driver for his faith in the future of ECC in Kingsport. By every independent measure, such as those examined by the Milken Institute, a well-educated populace is key not only to fundamental wage and salary growth, but to greater entrepreneurial capacity as well. City leaders recognize that for a healthy economy to return to the area, a marketable workforce must be in place and for that to occur, a creative workforce development/ educational opportunity had to be present.

Other positive factors include:

- √ Since 2006, Kingsport has posted \$370 million in new construction, including retail and commercial office buildings. The city has posted record investment for two consecutive years — \$164.5 million in 2007 and \$180.9 million in 2008.
- √ 2,700 families from 44 states have moved to Kingsport in the past two years.
- √ Kingsport ranked 14th in the country for housing appreciation in the second quarter of 2008
- √ Forbe's Magazine (4/07) ranked Kingsport 3rd nationwide for lowest cost of doing business in major metros.
- √ In July 2007, Eastman Chemical Company brought full circle the community renaissance through their announcement of 'Project Reinvest', a plan to spend \$1.3 billion upgrading and developing new production capacity at its Kingsport plant during the next 5 years.

4. Please describe the **target population** served by your program or policy initiative. How does the program or policy initiative **identify** and **select** its clients or consumers? How many **clients** does your program or policy initiative currently serve? What percentage of the **potential clientele** does this represent? **maximum 1 page**

---

The initial target population of the Kingsport Higher Education Initiative was local graduates from the City of Kingsport's and Sullivan County's High Schools. The Educate and Grow scholarships offered high school graduates the chance to attend college tuition-free at Northeast State Technical Community College for two years.

The target population has since expanded to include the current and potential workforce in Kingsport. The Tennessee Board of Regents estimates that about 40 percent of today's college students are 25 years or older. About 78 percent of college students are employed at least part-time. Kingsport leaders recognized to improve workforce quality, education needed to be accessible. The US Census estimates that there is a 53.1 percent increase in Kingsport's daytime population as a result of commuters, placing Kingsport in the top 13 percent of daytime population increased. By having the facilities for education located near the major business hub in Kingsport, workforce development is a more readily accessible service.

Targeting these groups allows for the goals of raising the educational attainment level of Kingsport's citizens, producing qualified employees that local business and industry say they need and simultaneously acts as an economic stimulator for the city center. The current facilities offering education are the RCAT and Regional Center for Health Professions. When completed the additional facilities of the state and privately funded Regional Center for Applied Manufacturing and Kingsport Center for Higher Education will raise the total number of students being served downtown to an estimated 2,500-3,500.

5. What would you characterize as the program's most significant remaining **shortcoming**? **maximum 1 page**

---

There are three significant shortcomings to the current program.

- 1) A significant portion of Educate & Grow scholarship ship money is being "left on the table" every semester; The Sullivan County Government agreed to pick up the cost for all Sullivan County High School graduates, which included those students in the City of Kingsport which are in Sullivan County. Kingsport continues to pay for those students who live in the Hawkins County portion of Kingsport.
- 2) No effective measure has yet been developed to assist the vastly under-served adult, or non-traditional student, population in returning to school; and,
- 3) Educate & Grow has yet to be expanded to offer four-year scholarship opportunities for those interested in a baccalaureate or higher level degree.

Kingsport has committed to using resources for higher education recognizing that a healthy workforce is an educated workforce. The potential for an Education Summit is currently being discussed to address some of these issues, as well as the need for greater articulation within the K-12 arena.

6. When and how was the program or policy initiative originally **conceived** in your jurisdiction? What individuals or groups are considered the primary **initiators** of your program? Please substantiate the claim that one or more government institutions played a formative role in the program's development. **maximum 1 page**

---

*"We want to make education so convenient that there is no reason for folks not to get a two or four-year degree in Kingsport," said Dennis Phillips, the mayor of Kingsport.*

The creative vision and leadership of the Kingsport Board of Mayor and Aldermen in partnership with business leaders led to the startup of the Kingsport Higher Education Initiative. In the early part of this decade, the city joined forces with Northeast State Technical Community College to create the Kingsport Higher Education Initiative – The City provided the capital and Northeast State agreed to operate the facility. RCAT opened in 2002 in downtown Kingsport, providing higher education opportunities for everyone in the Tri-Cities area of Kingsport, Bristol and Johnson City, including traditional and nontraditional students, high school students through dual-enrollment programs, and senior citizens. RCAT and RCHE have the same agreements as RCAT, the City provides the capital for construction and Northeast State is the managing partner. RCAM is a partnership between local industry and Northeast State.

After RCAT was up and running, the city created "Educate and Grow" scholarships, offering graduates of Sullivan County and Kingsport high schools two-year scholarships toward pursuing associate degrees at Northeast State. Students can attend Northeast State on the main campus in Blountville, or they can attend classes at the downtown RCAT center. The City wanted to make it known money should not be an issue to getting an education.

Assistant City Manager, Jeff Fleming summed up the efforts, *"The world is changing, and we're going to have to change too if we're going to adapt. And education is a key to that. (Kingsport's) commitment to doing what we have to do locally, rather than waiting for the state and federal government to do it for us, is very unique nationwide. We've had to do things where we would normally prefer a clear line between the private sector and the government. We've had to get out of that comfort zone and partner where it makes sense in an effort to position Kingsport to achieve all that it can achieve. Sometimes you have to do those things in order to be competitive with your neighbors and nationally."*

Key leaders and groups who have been the primary initiators of the Kingsport Higher Education Initiative have been:

- The Kingsport Board of Mayor and Aldermen, through policy setting, funding the Educate and Grow Scholarships, and capital outlay for the higher education facilities.
  - Northeast State Technical Community College, acting as the managing partner of the Kingsport Higher Education Initiative.
  - Local Business and Corporations, such as Wellmont Health Systems who are paying for scholarships at the Regional Center for Health Professions, and Kingsport Times-News Publisher Keith Wilson, an early and continuing support of the effort.
-

7. Please identify the key **milestones** in program or policy development and implementation and when they occurred (e.g., pilot program authorization enacted by state legislature in June 2004; pilot program accepted first clients, September 2004; expanded program approved by legislature in July 2005). How has the implementation strategy of your program or policy initiative **evolved** over time? **maximum 1 page**

---

Mid to late 1990's Many business in the greater Kingsport begin dramatic downsizing

1999 -- Economic Summit hosted by the City of Kingsport

2001 -- A City-led initiative called "Educate and Grow" was launched.

2002 -- The downtown Regional Center for Applied Technology completed by the City of Kingsport, with assistance from the U.S. Economic Development Administration and the Appalachian Regional Commission

2005 RCAT exceeds five-year goal of 1,000 students

2007 Construction of the Kingsport Center for Health Professions – funded by the City of Kingsport

2008 Construction of the 54,000 square-foot Kingsport Center for Higher Education – funded by the City of Kingsport with assistance from the U.S. Economic Development Administration and the Appalachian Regional Commission.

2008 partnership formed through Northeast State Technical Community College, Eastman Chemical Company and Domtar Paper Mill for construction of the Regional Center for Applied Manufacturing.

The implementation strategy of the program initiative has evolved over time. Dr. Bill Locke, President of Northeast State Technical Community College was quoted in a local news outlet as saying, *“The (Kingsport BMA) understands that it takes an educated populace if you’re going to increase and maintain the standard of living you have, and I think that’s what behind all (the Kingsport Higher Education Initiative) of it.”*

8. Please describe the most significant **obstacle(s)** encountered thus far by your program. How have they been dealt with? Which ones remain? **maximum ½ page**

---

The City of Kingsport has been tremendously successful in seeing change occur in the economy over the past few years.

As with any sweeping initiative that requires major capital investment on the part of local taxpayers, opposition was clearly voiced against the Board of Mayor and Aldermen's choosing of a location and the borrowing of upwards of \$18 million on the bond market to fund the effort.

The current Board of Mayor and Aldermen are committed to seeing Kingsport excel in the areas of Higher Education, again recognizing that an educated workforce attracts businesses to the region.

9. If your innovation is an adaptation or replication of another innovation, please identify the program or policy initiative and jurisdiction originating the innovation. In what ways has your program or policy initiative adapted or improved on the original innovation? **maximum ½ page**

---

The Kingsport Higher Education Initiative is not an adaptation or replication of another innovation. The origins of the Kingsport Higher Education Initiative actually pre-dated the formation of the Tennessee Lottery, and unlike that effort, has no specific grade point average requirement. Instead, Educate & Grow only requires potential applicants to first apply for other types of readily available financial aid. In addition, while a number of localities with inadequate higher education opportunities are building or considering construction of higher education facilities, Kingsport was clearly among the leaders in the country in terms of actually making such expenditures.



10. What other **individuals** or **organizations** have been the most significant in (a) program development and (b) on-going implementation and operation? What **roles** have they played? What individuals or organizations are the strongest **supporters** of the program or policy initiative and why? What individuals or organizations are the strongest **critics** of the program or policy initiative and why? What is the nature of their criticism? **maximum 1 page**

---

Several successive Boards of Mayor and Aldermen have played the most significant role in sparking the growth in higher education for the city. Through policy setting, funding Educate and Grow Scholarships and providing capital outlays for higher education facilities, it is clear the priority in Kingsport is advanced learning as a key to unlocking economic growth.

Northeast State Technical Community College and NSTCC President Dr. William “Bill” Locked are hugely significant partners in the effort.

Local Business and Corporations are playing a significant role, such as Wellmont Health Systems who are paying for scholarships at the Regional Center for Health Professions. Greg Neal, vice president of supply chain for Wellmont Health Systems summed up community support, *“It really touches all of us ultimately, because having access to higher education produces more jobs, and more jobs that provide higher income means a higher tax base, which means more infrastructure to support all the things that we want to see in the community we live in.”*

Eastman Chemical Company and Domtar Paper Mill are other examples of prime community movers for the project. They have collectively formed a partnership with Northeast State Technical Community College to start up another facility in the ‘academic village’ with the Regional Center for Applied Manufacturing.

The other major partner in this endeavor has been the citizenry of Kingsport. Kingsport is the largest city of its size in Tennessee without a college campus. While generally positive and supportive of the BMA decisions to lead in providing educational opportunities for the area including Workforce Development, as noted earlier, such support is not universal.

11. If your program or policy initiative has been formally **evaluated** or **audited** by an **independent organization** or group, please provide the name, address, and telephone number of a contact person from whom the materials are available. Please summarize the principal findings of the independent evaluator(s) and/or auditor(s). If your program has been the **subject** of an article, book, or other publication (including web-based) produced by an **independent organization** or group, please provide a complete citation. **maximum 1 page**

---

The Kingsport Higher Education Initiative has not been formally evaluated or audited by an independent organization or group.

The initiative has been the subject of numerous articles. See below for citations

<http://www.arc.gov/index.do?nodeId=2159> – Appalachian Regional Commission article on Educate and Grow

<http://www.timesnews.net/article.php?id=9003573> – Kingsport Times News Article on Allied Health Center

[http://www.alliancetnva.com/index.php?option=com\\_content&task=view&id=77&Itemid=2](http://www.alliancetnva.com/index.php?option=com_content&task=view&id=77&Itemid=2) – Article on higher education center in Kingsport

[http://www.uschamber.com/bclc/programs/investment/siemens\\_winners.htm](http://www.uschamber.com/bclc/programs/investment/siemens_winners.htm) - article on US Chamber of Commerce Award

[http://www.alliancetnva.com/index.php?option=com\\_content&task=view&id=100&Itemid=36](http://www.alliancetnva.com/index.php?option=com_content&task=view&id=100&Itemid=36) – article on Kingsport Higher Education Initiative

<http://www.bjournal.com/issue/article.asp?id=31> – Business Journal article on Kingsport Higher Education Facility

12. To what extent do you believe your program or policy initiative is potentially **replicable** within other jurisdictions and why? To your knowledge, have any other jurisdictions or organizations established programs or implemented policies modeled specifically on your own? **maximum 1 page**

---

The Kingsport Higher Education Initiative is replicable for other jurisdictions, but cannot take place without community wide visioning and buy-in. Clearly, with just a tad of entrepreneurial spirit on the educational side of the equation, other jurisdictions could partner with local education institutions to make education more affordable.

Other local jurisdictions have already taken the city's lead in offering the Educate and Grow scholarships. Northeast State has recently added Carter, Johnson, Unicoi, and Washington Counties to the Educate and Grow Program. Sullivan County followed the city's lead right after the decision to fund the scholarships.

13. What is the program's current operating **budget**? What are the program's funding sources (e.g., local, state, federal, private)? What percentage of annual income is derived from each? Please provide any other pertinent budget information. **maximum 1 page**

---

The City of Kingsport has sparked the Higher Education initiatives in the city. Since 2002, when the Regional Center for Applied Technology (RCAT) was created, the city has spent nearly \$18 million in construction of higher education facilities as well as Educate and Grow scholarships for Kingsport residents.

Other localities outside the region have also picked up the Educate and Grow scholarship concept, with Knox County being the most recent.

There has been no annual income derived from the Higher Education Initiative. Greg Neal, vice president of supply chain for Wellmont Health Systems summed up the economic benefit, *“It really touches all of us ultimately, because having access to higher education produces more jobs, and more jobs that provide higher income means a higher tax base, which means more infrastructure to support all the things that we want to see in the community we live in.”*

14. Has the program or policy initiative received any **awards** or other honors? Yes X. No \_\_\_\_.  
If yes, please list and describe the awards or honors and the sponsoring organizations. **maximum 1 page**
- 

The city was chosen as one of three communities in the nation to receive the inaugural *U.S Chamber of Commerce and Siemens Sustainable Community Award* in March 2008. This award recognized a community's capability to successfully take on challenges such as fostering economic growth and diversification. The Business Civic Leadership Center of the US Chamber of Commerce, Executive Director, Stephen Jordan was quoted as saying that, "This award goes to exceptional community and leaders who have found new way in solving 21<sup>st</sup> century challenges."

Kingsport received the Small Community Award (less than 50,000 population).

[http://www.uschamber.info/ctrcorpcitizenship/notice-description.tcl?newsletter\\_id=24909238](http://www.uschamber.info/ctrcorpcitizenship/notice-description.tcl?newsletter_id=24909238)

[http://www.alliancetnva.com/index.php?option=com\\_content&task=view&id=100&Itemid=36](http://www.alliancetnva.com/index.php?option=com_content&task=view&id=100&Itemid=36)

Other local accolades have been received from various local organizations.

15. Has the program received any press or other media coverage to date? Yes   X   No \_\_\_\_\_.  
If yes, please list the sources and briefly describe relevant coverage. **maximum 1 page**
- 

<http://www.arc.gov/index.do?nodeId=2159> – Appalachian Regional Commission article on Educate and Grow

<http://www.timesnews.net/article.php?id=9003573> – Kingsport Times News Article on Allied Health Center

[http://www.alliancetnva.com/index.php?option=com\\_content&task=view&id=77&Itemid=2](http://www.alliancetnva.com/index.php?option=com_content&task=view&id=77&Itemid=2) – Article on higher education center in Kingsport

[http://www.uschamber.com/bclc/programs/investment/siemens\\_winners.htm](http://www.uschamber.com/bclc/programs/investment/siemens_winners.htm) - article on US Chamber of Commerce Award

[http://www.alliancetnva.com/index.php?option=com\\_content&task=view&id=100&Itemid=36](http://www.alliancetnva.com/index.php?option=com_content&task=view&id=100&Itemid=36) – article on Kingsport Higher Education Initiative

<http://www.bjournal.com/issue/article.asp?id=31> – Business Journal article on Kingsport Higher Education Facility

<http://businessstn.com/node/967> - Tennessee Business Magazine article on Higher Education Initiative

16. Please attach an organization chart to show the current number, responsibilities, and reporting relationships of key program employees or staff. **maximum 1 page**

---

